

Health and Senior Services Acting Commissioner Mary O'Dowd
Assembly Budget Committee
Tuesday, April 5, 2011

Good afternoon Chairman Greenwald and members of the Assembly Budget Committee. Thank you for this opportunity to testify before you today.

Our Department's role in Medicaid is limited to the area of long-term care which includes roughly \$2.2 billion for nursing homes, home and community-based services and medical day care. The Department's most significant portion of Medicaid spending is dedicated to nursing home funding. This represents 45% of the Department's overall budget.

As the Department moves forward with plans to reform our portion of the Medicaid program our guiding principle will be to decrease institutionalization by increasing access to home and community based services. Also known as "rebalancing." The Department's goal is to provide New Jersey seniors with the ability to safely age at home.

To further this commitment the Department's proposed budget includes a \$47.6 million increase for home and community based services in our Global Options program. This funding increase will enhance our ability to transition seniors from nursing homes back into their communities.

The Department's first step toward reform will be to incorporate medical day care into managed care. This will provide for improved case management for the clients participating in this program by incorporating medical day care into the full continuum of services offered by our managed care organizations. The state's experience with modern managed care has demonstrated that the system can work to improve health outcomes for our residents while producing cost savings.

An important part of our Medicaid reform plan is stakeholder input. We applaud your efforts to include stakeholder recommendations by hosting this morning's roundtable discussion. The Department has both formal and informal mechanisms to solicit feedback from health care providers and advocates.

As you know, our partnership with the senior advocacy community dates back to 2006 when we formed the Medicaid Long-Term Care Funding Advisory Council. This group, also known as the MAC, is comprised of representatives from both the public and private sector including the AARP, county offices on aging, adult medical day care providers, home care providers and long term care facilities. At quarterly meetings the Department has provided progress reports on accomplishments and has worked cooperatively with the MAC to improve our rebalancing efforts.

The MAC has served as a strategic partner in our planning for managed long-term care since 2008. The Department prepared a report recommending a move to managed long-term care and gathered their input. At our most recent meeting, we discussed the potential design of a Medicaid managed long-term care program in New Jersey. We are committed to this partnership with the MAC and will continue to collaborate with providers, advocates, and community partners throughout the development and implementation process.

In closing, I want to thank you again for this opportunity to discuss the Department's role in the Medicaid program.

I look forward to working with you and I would be happy to answer your questions.